

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		53,116	(626,887)
Adjustment for:			
Finance costs		33,654	49,522
Share of profits and losses of jointly-controlled entities and associates		(112,793)	(64,035)
Depreciation	7	32,371	38,529
Amortisation of long term investments		–	583
Indemnity from ultimate holding company	6	(40,536)	–
Indemnity from immediate holding company	6	(14,667)	–
Deficit on revaluation of hotel properties	7	46,708	55,001
Deficit on revaluation of investment properties		97,527	–
Impairment of fixed assets	7	14,794	21,516
Impairment of properties held for sale	7	7,738	–
Impairment of properties under development		–	282,293
Impairment of investments in jointly-controlled entities		–	211,659
Provision for doubtful debts	7	9,626	5,607
Loss on disposal of fixed assets, net	7	191	1,793
Gain on disposal of investment properties		–	(950)
Loss on deemed disposal of a listed subsidiary		–	162,312
Transfer from properties under development to cost of sales	16	125,502	–
Write back of provision for impairment of long term investments	6	–	(10,467)
Interest income		(7,144)	(30,278)
Operating profit before working capital changes		246,087	96,198
Acquisition of a property development project	36	5,980	–
Decrease in inventories		3,333	15,366
Decrease in properties held for sale		112,347	67,715
Increase in trade receivables, prepayments and other debtors		(51,734)	(130,034)
Decrease in amounts due from fellow subsidiaries		25,776	20,647
Increase in amounts due from holding companies		(1,343)	–
Increase/(decrease) in trade payables, accruals and other liabilities		(10,595)	170,177
Increase/(decrease) in amounts due to related companies		(1,369)	87,450
Increase in amounts due to holding companies		1,386	–
Decrease in amounts due to fellow subsidiaries		(18,032)	(75,818)
Cash generated from operations		311,836	251,701
Interest paid		(33,654)	(49,545)
Hong Kong profits tax paid		(3,022)	(1,067)
Mainland China and overseas taxes paid		(11,440)	(13,319)
Net cash inflow/(outflow) from operating activities			
Continuing operations		263,720	234,748
Discontinuing operations		–	(46,978)
Total		263,720	187,770

Consolidated Cash Flow Statement

Year ended 31 December 2002

	Note	2002 HK\$'000	2001 HK\$'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Repayment of amount due from an associate		7,714	13,102
Proceeds from disposal of fixed assets		291	731
Deposits paid for purchases of lands		–	(106,363)
Additions to properties under development		(200,125)	(63,901)
Purchases of fixed assets		(10,362)	(9,941)
Proceeds from disposal of investment properties		–	7,289
Decrease in pledged bank deposits		–	4,266
Deemed disposal of a subsidiary		–	(1,035,665)
Purchases of other investments		–	(16,068)
Decrease/(increase) in amounts due from jointly-controlled entities		53,658	(7,270)
Interest received		7,144	30,278
Dividends received from an associate		27,011	27,011
Dividends received from a jointly-controlled entity		4,112	6,616
Net cash used in investing activities			
Continuing operations		(137,568)	(1,194,809)
Discontinuing operations		27,011	44,894
Total		(110,557)	(1,149,915)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		134,729	608,187
Repayment of bank loans		(492,644)	(469,322)
Gross proceeds from rights issue	33	234,074	–
Share issue expenses	33	(1,698)	–
Advance from a holding company		–	2,634
Repayment to minority shareholders		(65)	(834)
Net cash inflow/(outflow) from financing activities			
Continuing operations		(125,604)	133,252
Discontinuing operations		–	7,413
Total		(125,604)	140,665

Consolidated Cash Flow Statement

Year ended 31 December 2002

	Note	2002 HK\$'000	2001 HK\$'000 (Restated)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		27,559	(821,480)
Cash and cash equivalents at beginning of year		256,240	1,077,720
CASH AND CASH EQUIVALENTS AT END OF YEAR		283,799	256,240
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	26	270,616	159,470
Time deposits with original maturity within three months when acquired	26	13,183	96,770
		283,799	256,240